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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.				
09/991,197	11/16/2001	Gerald Arthur Kramer	9603-0007	3426				
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Intellectual Property Group Bose McKinney & Evans LLP 2700 First Indiana Plaza 135 North Pennsylvania Street Indianapolis, IN 46204		<table border="1"><tr><td>EXAMINER</td></tr><tr><td>CHENCINSKI, SIEGFRIED E</td></tr></table>			EXAMINER	CHENCINSKI, SIEGFRIED E		
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

09/991,197

Applicant(s)

KRAMER ET AL.

Examiner

Siegfried E. Chencinski

Art Unit

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 October 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-35 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-35 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948).
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Terminal Disclaimer

1. Applicant's terminal disclaimer is acknowledged. It has been approved.

Specification

2. The correction of the Abstract is acknowledged.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. **Claims 1 - 35 are rejected** under 35 U.S.C. 103(a) as being unpatentable over Norris et al. (US Patent 5,510,780, hereinafter Norris) in view of Official Notice.

Re. Claims 1-35, Norris discloses a method, system and medium for encouraging timely periodic payments comprising a time cycled security code activation system for leased or time purchased equipment includes a code input device such as a numeric keypad. The keypad is connected to a micro controller, which may be a microprocessor and peripherals, which controls an activation relay, which selectively supplies power to the equipment. The microprocessor is connected to a memory in which is stored a series of activation codes, for example 36 codes, including a currently valid code. The microprocessor is also connected to a real time clock circuit and the microprocessor includes a clock counter for monitoring lease or installment sale period. The microprocessor is programmed to compare the current time, as stored in the clock counter, with an expiration time of a lease or installment purchase period. For example, for equipment for which a lease payment is due by the thirtieth of each month, the microprocessor will compare the date with the twenty-eighth. When the comparison

becomes valid, i.e. when the microprocessor recognizes that the date is the twenty-eighth day of the current month, a grace period is started which can run, for example, for 4 days. At the end of the four-day period, one of two results will occur, depending upon the embodiment of programmed micro controller, which is installed. Norris continues to teach in one embodiment the equipment is operated normally, with no activation code required, e.g., for the first 28 days of each monthly period. After the 28th day, the keypad is activated and the equipment will continue to operate for the next four days. During that four-day period, if the next valid code in the series is input, the system will cycle so that it operates normally for the next 28 days. If the next valid code is not input within the grace period, the system will shut down the equipment until the next valid code is input. While it is noted that Norris teaches all the elements of the claimed invention including a system clock and passwords.

Norris does not explicitly disclose a remote communications link through which the seller or lessor/owner of the equipment is able to enable or disable the operation of the equipment or able to notify the buyer or lessee of various messages related to a payment schedule related to the time purchase or lease payment schedule. However, the Examiner takes Official Notice that such remote communications capabilities were well known at the time of Applicant's invention through one or more electronic networks such as the internet, which usually requires an account with an Internet Service Provider. Norris also does not explicitly disclose a database and shut-off values and current values to be used in determining periodic shutoff or continued enablement decisions related to the customer's performance against a payment schedule or the sending of warning messages to the customer payer ,and a plurality of such customers. However, one or more databases, warning messages and a plurality of customers are implicit in Norris' teaching. Both the generic concept of using shut-off values and current values in foreclosing on non-performing payers and having a plurality of customers were also widely known at the time of Applicant's invention. Norris also does not explicitly disclose the use of XML in communications between different softwares.

Therefore, it would have been obvious to the ordinary practitioner of the art at the time of Applicant's invention to have combined the disclosures of Norris with well known

practices for the purposes of developing a payment monitoring system, motivated by a desire to offer a time dependent security activation system for controlling activation to leased or time purchased equipment (Norris, Col. 2, ll. 18-20).

Response to Arguments

5. Applicant's arguments received on October 10, 2007 with respect to claims 1-35 have been fully considered but they are not persuasive.

APPLICANT ADMITTED PRIOR ART: The BACKGROUND section of the specification is always applicant admitted prior art. Applicant has not traversed dependent claims 2-12, 14-16, 18-24 and 26-35. Further, Applicant has not traversed the well known practices cited under Official Notice in the rejection of claims 1, 13, 17 and 25. Accordingly, the well known art prior art cited in Official Notice and dependent claims 2-12, 14-16, 18-24 and 26-35 are now on the record as applicant admitted prior art due to Applicant's not traversing these items.

ARGUMENT: The examiner has failed to establish a proper *prima facie* case of obviousness (p. 9, ll. 23-25; p. 12, ll. 13-14; p. 9, l. 23 – p. 12, l. 32).

Supporting Arguments:

- (1) "Norris does not disclose a computer system having a database including an information system identifying a plurality of customers wherein each of the customers has a shutoff value" (p. 12, ll. 8-10).
- (2) "Norris also does not disclose having a current customer information including a shutoff value which is compared to one of the shutoff values which is stored in the database to a current value of the computer system" (p. 12, ll. 10-12).
- (3) "The Examiner has failed to provide a motivation for providing the proposed elements and has failed to produce authority showing that such a combination is suggested" (p. 12, ll. 14-15).

(4) "Norris does not describe or even suggest providing information from a database including information identifying a plurality of customers, each of the customers having a shutoff value" (p. 12, ll. 29-31).

(5) "Norris teaches away from such a step (quotation in item (4) above)(added) because the article being leased or sold is delivered to one lessee or customer at a time" (p. 12, ll. 31-32).

RESPONSE:

Re. General Argument: Regarding the application of case law in 35 U.S.C. 103(a) obviousness rejections as decided in an *en banc* decision by the Board of Patent Appeals and Interferences in July, 2007 invoking the KSR decision:

BPAI, *Ex parte* CATAN, Appeal 2007-0820, Decided: July 3, 2007

PRINCIPLES OF LAW

"Section 103 forbids issuance of a patent when 'the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.'" *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734, 82 USPQ2d 1385, 1391 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, 148 USPQ 459, 467 (1966). *See also KSR*, 127 S.Ct. at 1734, 82 USPQ2d at 1391 ("While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.") The Court in *Graham* further noted that evidence of secondary considerations, such as commercial success, long felt but unsolved needs, failure of others, etc., "might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented." 383 U.S. at 18, 148 USPQ at 467.

In *KSR*, the Supreme Court emphasized "the need for caution in granting a patent based on the combination of elements found in the prior art," *id.* at 1739, 82 USPQ2d at 1395, and discussed circumstances in which
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a patent might be determined to be obvious without an explicit application of the teaching, suggestion, motivation test.

In particular, the Supreme Court emphasized that “the principles laid down in *Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*, 11 How. 248.” *KSR*, 127 S.Ct. at 1739, 82 USPQ2d at 1395 (citing *Graham v. John Deere Co.*, 383 U.S. 1, 12, 148 USPQ 459, 464 (1966) (emphasis added)), and reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* The Court explained:

When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, §103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.

Id. at 1740, 82 USPQ2d at 1396. The operative question in this “functional approach” is thus “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *Id.*

The Supreme Court made clear that “[f]ollowing these principles may be more difficult in other cases than it is here because the claimed subject matter may involve more than the simple substitution of one known element for another or the mere application of a known technique to a piece of prior art ready for the improvement.” *Id.* The Court explained, “[o]ften, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *Id.* at 1740-41, 82 USPQ2d at 1396. The Court noted that “[t]o facilitate review, this analysis should be made explicit. *Id.* (citing *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”).

However, “the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *Id.* at 1741, 82 USPQ2d at 1396.

Regarding the supporting arguments:

(1) Norris does not disclose a computer system having a database including an information system identifying a plurality of customers wherein each of the customers has a shutoff value (p. 12, ll. 8-10).

RESPONSE TO (1): While Norris does not EXPLICITLY disclose a database including an information system identifying a plurality of customers wherein each of the customers has a shutoff value stated in the language of Applicant’s claim limitations, Norris does implicitly disclose these functions. A database is indeed included with the microprocessor which is located with the equipment for which periodic payments, such as monthly for lease of the equipment, are due (Abstract, ll. 4-7). This database contains a plurality of shutoff values for that customer which are different for each month. Each month has two sets of values, one for the calendar which counts the calendar days until the dates for the beginning and end of the grace period while the system awaits the customer’s entry of the next payment period’s security code. It is also obvious that the database also contains the plurality of different activation security codes for each period, such as for each month. This is a shut-off value system. Therefore, a plurality of shut-off values is contained in the database located with each piece of equipment. A plurality of such databases are contained in the plurality of equipment pieces located with the plurality of customers. It would also have been obvious to an ordinary practitioner of the art at the time of Applicant’s invention to operate a database including an information system identifying a plurality of customers wherein each of the customers has a shutoff value located at the lessor’s offices contains a central database which contains a master copy of all of the plurality of shut-off values contained with each piece of equipment in use with each customer. This would have been obvious because a lessor could not stay in business for long if his own central computer was not duplicating the shutoff values computations in parallel to the

computations occurring with the equipment. It is unlikely that a lessor would attempt to keep up with the plurality of computer computation in the field with his own hand calculations.

Point of Law: MPEP 2144.04 VI B, In re. Harza, Duplication of Parts. "The court held that mere duplication of parts has no patentable significance unless a new and unexpected result is produced". In this case, this means that the expansion to a plurality of customers versus the prior limitation dealing with a current customer introduced into the limitations of independent claims 1, 13, 17 and 25 through Applicant's amendments received on October 9, 2007 have no patentable weight because no new or unexpected result has been introduced. Further, Applicant has not argued for any unexpected results for the original or amended claims.

(2) Norris also does not disclose having a current customer information including a shutoff value which is compared to one of the shutoff values which is stored in the database to a current value of the computer system (p. 12, ll. 10-12).

RESPONSE TO (2): Related to the argument and response of subsidiary argument (1), it is obvious that Norris discloses or suggests having information including shutoff values at the lessor's offices. Response (1) answers this argument for having such a customer information system at a central location where shut-off values are compared in the computer located with the equipment. It is also obvious that the same shut-off values comparison is made at the lessor's office, most likely by computer since the lessor is using computer technology attached to his equipment. It would not be helpful to have equipment which has been shut down to have the lessor not be aware of it. In case of non-payment the lessor would want know it as soon as the deadline has lapsed to find out the reason for the non-payment and to correct the problem or retrieve the equipment and take such other steps as are prudent in the business. A business could not function for long without such controls.

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(3) "The Examiner has failed to provide a motivation for providing the proposed elements and has failed to produce authority showing that such a combination is suggested" (p. 12, ll. 14-15).

RESPONSE TO (3):

(a) The examiner's first action, repeated in the current rejections above, did and does include a proper motivation for providing the proposed elements. The motivation is directly taken from the Norris reference, stated as follows above as "motivated by a desire to offer a time dependent security activation system for controlling activation to leased or time purchased equipment (Norris, Col. 2, ll. 18-20)".

(b) The authority for showing that such a combination is suggested is based on the discourse on the law pertaining to obviousness rejections as displayed above from the BPAI. One pertinent excerpt from the above is the following:

"The Court noted that "[t]o facilitate review, this analysis should be made explicit. *Id.* (citing *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)) ("[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness"). However, "the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ." *Id.* at 1741, 82 USPQ2d at 1396."

In this instance, the examiner has presented the "articulated reasoning with some rational underpinning to support the legal conclusion of obviousness" in the context of one of ordinary skill at the time of Applicant's invention..

(4) Norris does not describe or even suggest providing information from a database including information identifying a plurality of customers, each of the customers having a shutoff value (p. 12, ll. 29-31).

RESPONSE TO (4): This argument is covered in the responses to arguments (1), (2) and (3) above.

(5) Norris teaches away from such a step (referring to the quotation cited in item (4) above - added) because the article being leased or sold is delivered to one lessee or customer at a time (p. 12, ll. 31-32).

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RESPONSE TO (5): This argument is also covered in the responses to arguments (1) and (2) above. As stated above, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to provide or make use of information from a database including information identifying a plurality of customers, each of the customers having a shutoff value. As such, the examiner fails to see how the delivery schedules and/or methods in Norris, such as being delivered one customer at a time, have any bearing on the "providing information from a database including information identifying a plurality of customers, each of the customers having a shutoff value" limitation being referred to on p. 12, ll. 29-31 of Applicant's Remarks received on October 9, 2007. Applicant has failed to provide any rationale for this argument. This fails to meet the bar of Applicant's rebuttal responsibility because Applicant fails to comply with 37 CFR 1.111(b) on the basis that applicant's arguments amount to a general allegation that the claims define a patentable invention without distinctly and specifically pointing out the supposed errors in the examiner's action.

CONCLUSION: The examiner has met the requirements for making a proper *prima facie* case of obviousness in rejecting claims 1-35 of this Application, as amended.

Conclusion

6. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

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the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is (571)272-6792. The Examiner can normally be reached Monday through Friday, 9am to 6pm.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Alexander Kalinowski, can be reached on (571) 272-6771.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks, Washington D.C. 20231

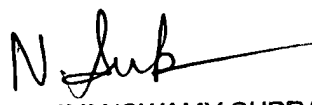
or Faxed to (571)273-8300 [Official communications; including After Final communications labeled "Box AF"]

or Faxed to (571) 273-6792 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to the address found on the above USPTO web site in Alexandria, VA.

SEC

December 12, 2007


NARAYANSWAMY SUBRAMANIAN
PRIMARY EXAMINER